

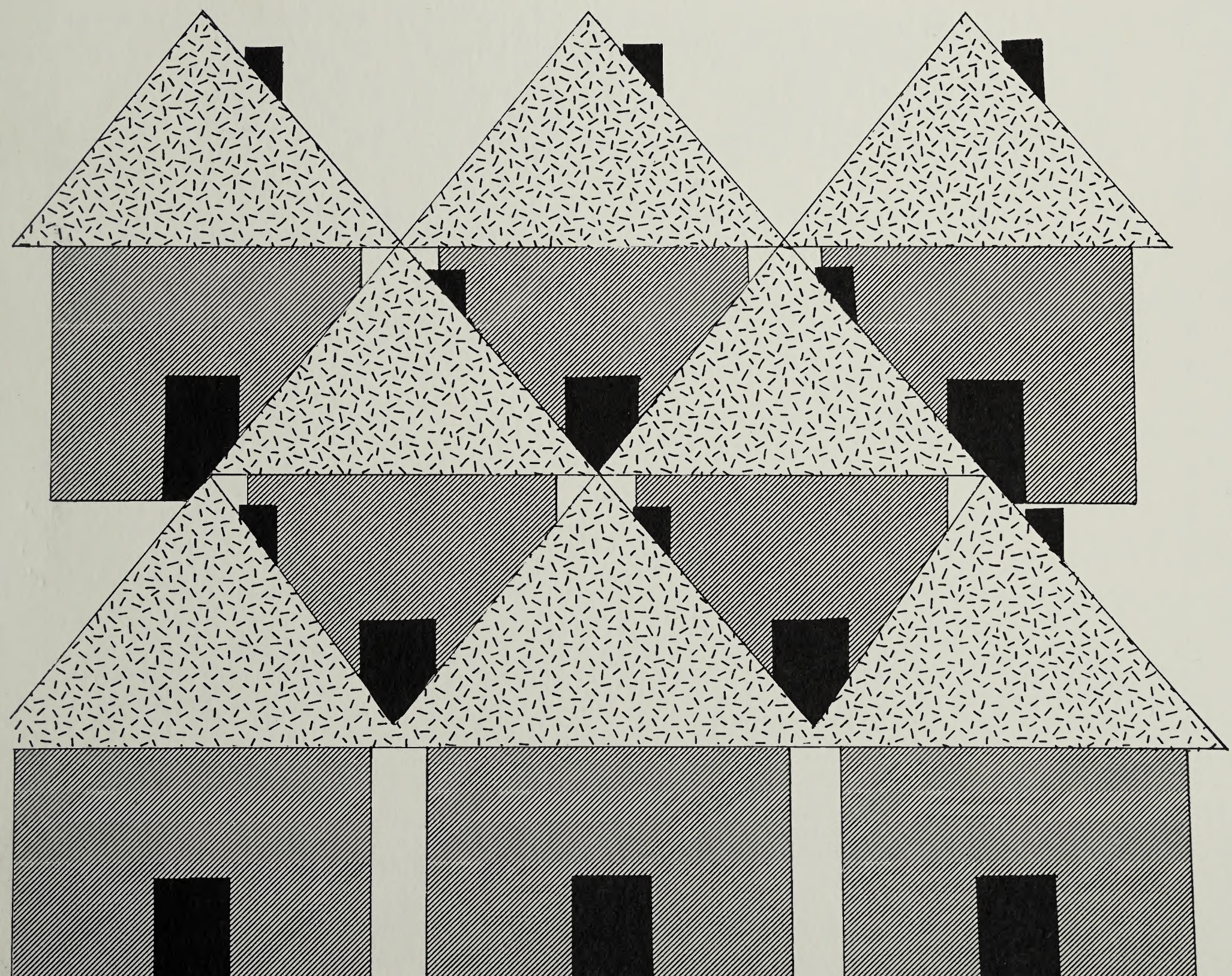
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HOUSING NEEDS ANALYSIS

SEP 7 1977

Newton, North Carolina



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16. Abstracts This study is intended to provide the City of Newton with needed information on existing housing conditions, housing supply and demand and possible strategies for promoting an adequate supply of safe housing. Part I is an inventory and analysis of existing housing. Part II is an analysis of housing demand, and Part III is an evaluation of total housing needs. The final part is a recommended housing plan .			
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June 30, 1977

Mr. Edward F. Musick, Manager
City of Newton
P. O. Box 550
Newton, North Carolina 28658

Dear Ed,

This report, "Housing Needs Analysis - Newton, North Carolina," is transmitted in fulfillment of the final element of our planning contract (#4411) dated September 22, 1976, for the City of Newton. This final report includes an inventory and analysis of existing housing, an analysis of housing demand, an evaluation of total housing need, and a suggested housing plan to help Newton address its housing need. The suggested plan is consistent with the housing goals and objectives approved by the Newton Planning Commission on June 9, 1977.

We appreciate the opportunity of providing the planning services required for this work and have enjoyed our working relationship with Newton this past year. We look forward to helping meet Newton's planning needs for this coming year.

Sincerely,

R. Douglas Taylor
Executive Director

RDT/TBR/aa

cc: Mr. Mathey Davis
DNER - South Piedmont

HOUSING NEEDS

ANALYSIS


NEWTON, NORTH CAROLINA

Prepared by

Western Piedmont Council of Governments

June, 1977

The preparation of this report was partially financed through a federal grant from the Department of Housing and Urban Development under the Urban Housing Assistance Program authorized by Section 701 of the Housing Act of 1954, as amended; administered by the North Carolina Department of Natural and Economic Resources.



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TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTION	1
PART I. HOUSING INVENTORY AND ANALYSIS	3
Housing Survey	3
Inventory and Analysis	6
PART II. HOUSING DEMAND ANALYSIS	14
Determinants of Housing Demand	14
Population and Households	15
Household Incomes	18
Overview of Housing Market Operations	21
Residential Building Activity	21
The Current Housing Situation	22
Economics of Home Buying	22
Individual Home Perception and Desire	25
Mobile Homes	25
Inability to House Newly Arriving and Newly Forming Families	27
Cost of Construction	28
Housing Demand Forecasts	29
Housing Additions	29
Housing Demand by Price and Rent Profile	31
PART III. HOUSING NEEDS EVALUATION	33
Existing Housing Need	33
Future Housing Need	35
Ineffective Housing Demand	36
PART IV. RECOMMENDED HOUSING PLAN	37
Housing Plan of Action	37
Overall Housing Goal	37
Objectives and Recommendations	38
Plan Summary	43

TABLES

1. 1977 Housing Conditions by Sub-Area	6
2. Change in Residential Structure Type, City of Newton	8
3. Change in Structural Condition, Planning Area	9
4. Selected Population and Housing Characteristics	11
5. Population and Household Trends and Forecasts	17
6. Newton and Catawba Households by Tenure	18
7. Household Income by Tenure	20

Page

Tables, Cont'd.

8. Residential Building Permits	21
9. Housing Expenses and Income Required to Buy A New One-Family Home	25
10. Forecast Housing Demand by Tenure	31
11. Production Requirements for New Units by Tenure, Price and Rent Range	33
12. 1977 Ineffective Housing Demand	35
13. Projected Housing Need, 1977-1985	36
14. Total Ineffective Housing Demand	37

MAPS

1. Newton Housing Study Sub-Areas	5
2. 1970 Enumeration Districts	13

INTRODUCTION

One of the most basic human needs is shelter. For a growing portion of the population, good housing is difficult, if not impossible, to obtain. The provision of an adequate supply of housing in a safe and attractive residential environment for people who live in the community is a major concern of the City of Newton.

This study is intended to provide the City of Newton with needed information on existing housing conditions, housing supply and demand, and possible strategies for promoting an adequate supply of safe housing. Secondary but important purposes of this study are to provide technical information needed in applications for community development grants and housing assistance programs which might be sought to meet identified housing needs, and to meet HUD housing element requirements of 24 CFR Part 600 for planning program certification.

To fulfill this task, the City of Newton contracted with the Western Piedmont Council of Governments for the services of a professional planner to perform this study and other needed planning work. This report is the final element of that planning contract.

The first part of this study consists of an inventory and analysis of the existing housing stock and conditions in the Newton Planning Area.

An analysis of housing demand in the Newton Planning Area is conducted in the next part of the study. The analysis includes a projection of population, households, and household income levels. From these projections, future housing demand is forecast.

The third part of this study is a housing needs evaluation. A quantitative summary of housing needs, both existing and projected, is made. Housing supply and factors affecting housing supply are also examined. Then, housing needs that cannot be met by this Region's housing market operations as it currently functions are identified.

The last part of this study suggests housing objectives and program methods designed to respond to the identified housing needs of the City of Newton.

PART I. HOUSING INVENTORY AND ANALYSIS

An inventory and analysis of housing is essential in determining the type, quality and supply of existing housing in the Newton Planning Area. A comparison of this information with previous housing surveys of the area reveals the relative growth and decline of various segments of the housing market. Existing housing need is also obtained by comparing the surveyed housing supply with the calculated household demand. In addition, housing conditions identified in this inventory can serve as a basis for developing a housing inspection program for housing code enforcement.

Housing Survey

In February of 1977 an exterior survey was conducted of all housing within the Newton Planning Area. Housing type and structural condition were recorded for each dwelling. This information was recorded on a large base map and was later tabulated by sub-area. For the purposes of this study, the corporate area (town limits) and the remaining fringe area (extraterritorial planning jurisdiction) were broken down separately. Within each division sub-areas were delineated. These sub-areas generally correspond to existing neighborhoods and/or homogeneous geographical areas created by natural or man-made features. These sub-areas, numbered one through seven, are shown on Map 1.

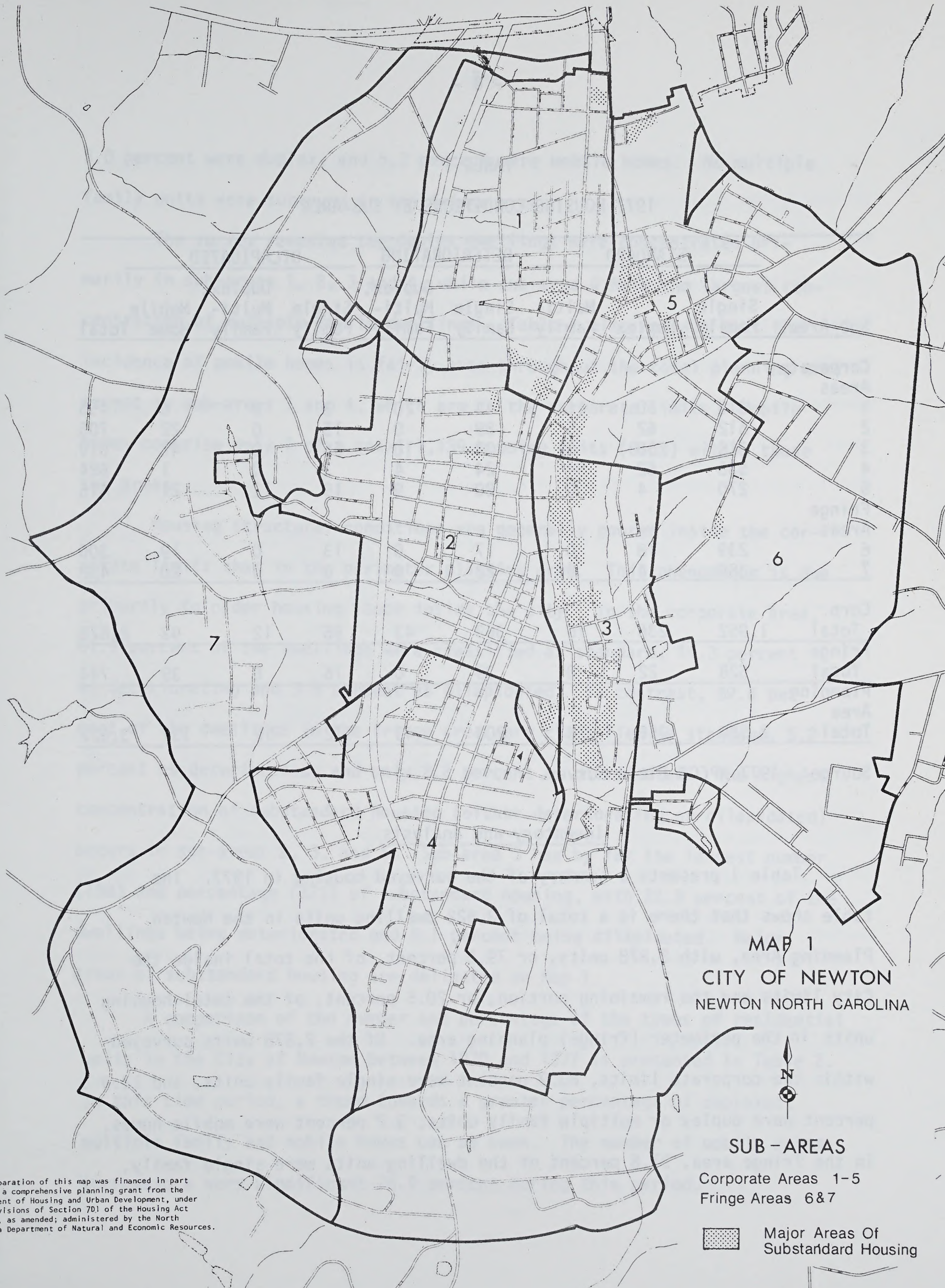
The types of housing tabulated correspond to single family dwelling, two family dwelling (duplex), multiple family dwelling, and mobile home. Each type of dwelling, except mobile home, was then categorized by structural condition. The definitions of the structural conditions employed are as follows:

Standard: Structures with no defects or only minor defects that are correctable during the course of normal maintenance.

Deteriorated: Structures in need of more repair than would be provided during the course of normal maintenance. Structures having one or more major defects that must be corrected if the dwelling is to continue to provide safe and adequate shelter. Examples of defects include: holes or open cracks in a structure; loose, rotted or missing pieces of the windows, roofing, walls or foundation; and several broken or missing windowpanes.

Dilapidated: Structures whose present condition endangers the health, safety and well-being of the occupants. Dwellings in this condition are in very poor overall condition and a complete remodeling or rebuilding would be required to bring these structures up to the standards of a higher classification. Major defects such as walls, foundations or roof were sagging or broken and in some cases extensive damage by fire was evident.

Mobile homes were classified as standard, unless in an extreme state of disrepair.



MAP 1
CITY OF NEWTON
NEWTON NORTH CAROLINA

SUB - AREAS

Corporate Areas 1-5
Fringe Areas 6 & 7



Major Areas Of
Substandard Housing

Preparation of this map was financed in part
through a comprehensive planning grant from the
Department of Housing and Urban Development, under
the provisions of Section 701 of the Housing Act
of 1954, as amended; administered by the North
Carolina Department of Natural and Economic Resources.

TABLE 1
1977 HOUSING CONDITIONS BY SUB-AREA

Sub-Area	STANDARD			DETERIORATING		DILAPIDATED			Total
	Single Family	Duplex	Multi-Family	Single Family	Duplex, Multi-Family	Single Family	Duplex, Multi-Family	Mobile Home	
Corporate Areas									
1	316	50	16	44	20	3	0	6	455
2	512	62	5	89	0	15	0	22	705
3	318	58	3	132	10	56	0	42	619
4	536	62	54	24	4	3	0	1	684
5	270	4	0	80	9	19	12	21	415
Fringe Areas									
6	239	18	0	17	0	13	0	19	306
7	389	4	0	22	0	3	0	20	438
Corp. Total	1,952	236	78	369	43	96	12	92	2,878
Fringe Total	628	22	0	39	0	16	0	39	744
Planning Area Total	2,580	258	78	208	43	112	12	131	3,622

Source: 1977 WPCOG Field Survey.

Inventory and Analysis

Table 1 presents a summary of the surveyed housing in 1977. The table shows that there is a total of 3,622 dwelling units in the Newton Planning Area, with 2,878 units, or 79.5 percent, of the total inside the City limits and the remaining portion, or 20.5 percent, of the total housing units in the perimeter (fringe) planning area. Of the 2,878 units surveyed within the corporate limits, 83.9 percent were single family units, and 12.9 percent were duplex or multiple family units; 3.2 percent were mobile homes. In the fringe area, 91.8 percent of the dwelling units were single family,

3.0 percent were duplex, and 5.2 percent were mobile homes. No multiple family units were surveyed in the fringe area.

The survey revealed the duplex dwellings were concentrated primarily in sub-areas 1, 2, 3 and 4, while sub-area 4 held the largest concentration of multiple family dwellings. Table 1 also reveals that the incidence of mobile homes is fairly even throughout the total planning area except in sub-areas 1 and 4, which are in the corporate limits. Mobile homes comprise only 7 of a total 1,139 housing units (0.3%) within these two areas.

Housing structural conditions are generally poorer inside the corporate limits than in the perimeter planning area. This phenomenon is due primarily to older housing stock inside the city. In the corporate area, 81.9 percent of the dwellings were classified as standard, 14.3 percent as deteriorating and 3.8 percent as dilapidated. In contrast, 92.6 percent of the dwellings in the fringe area were classified as standard, 5.2 percent as deteriorated, and only 2.2 percent as dilapidated. The highest concentration of substandard housing (either deteriorating or dilapidated) occurs in sub-areas 2, 3, and 5. Sub-area 3 has by far the largest number (198) and percentage (32%) of substandard housing, with 22.9 percent of the dwellings being deteriorated and 9.1 percent being dilapidated. Major areas of substandard housing are delineated on Map 1.

A comparison of the number and percentage of the types of residential units in the City of Newton between 1970 and 1977 is presented in Table 2. In this time period, a trend towards a greater percentage of duplexes, multiple family and mobile homes can be seen. The number of mobile homes increased a very significant 76.9 percent during this period.

Table 3 shows the change in structural conditions of dwelling units in the Newton Planning Area between 1971 and 1977. Inside the city limits the percentage of standard units decreased slightly between 1971 and 1977, while in the fringe area the percentage of standard units increased. A more important change is the change in dilapidated dwellings. Dilapidated housing units increased from 2.5 percent to 3.8 percent of the total corporate housing units. The 45-unit increase in dilapidated structures represents a 71.4 percent increase in the number of dilapidated housing units over a six-year period. In the fringe area, the number of dilapidated units decreased.

TABLE 2
CHANGE IN RESIDENTIAL STRUCTURE TYPE
CITY OF NEWTON, 1971 - 1977

Type Structure	1971		1977		Change, 1971 - 1977	
	#	%	#	%	#	%
Single Family	2,256	85.4	2,417	83.9	161	7.1
Duplex/Multi-Family	333	12.6	369	12.9	36	10.8
Mobile Home	52	2.0	92	3.2	40	76.9
Total	2,641	100.0	2,878	100.0	237	9.0

Source: U.S. Census, 1970; 1977 WPCOG Housing Field Survey

Greater insight into housing conditions and the characteristics of the residing population is gained through examination of the information presented in Table 4. Although the information presented is for 1970, it is still representative of the present housing situation. The U.S. Census

Enumeration Districts (EDs) used to obtain this information do not correspond exactly with the sub-area designations shown on Map 1. EDs 92-99 as shown on Map 2 correspond to the 1970 Newton corporate limits.

TABLE 3
CHANGE IN STRUCTURAL CONDITION
NEWTON PLANNING AREA, 1971 - 1977

	1971		1977		Change	
	#	%	#	%	1971 - 1977	
<u>Corporate</u>						
Area						
Standard	2,042	82.3	2,358	81.9	316	15.5
Deteriorating	378	15.2	412	14.3	34	9.0
Dilapidated	63	2.5	108	3.8	45	71.4
Total Units	2,483	100.0	2,878	100.0	395	15.9
<u>Fringe</u>						
Area						
Standard	477	89.8	689	92.6	212	44.4
Deteriorating	36	6.8	39	5.2	3	8.3
Dilapidated	18	3.4	16	2.2	- 2	- 11.1
Total Units	531	100.0	744	100.0	213	34.9

Source: Land Use Survey and Analysis, Newton-Conover, North Carolina, May, 1972; 1977 WPCOG Field Survey

Table 4 reveals that most minority population is concentrated in EDs 94 and 98. Minority population comprises 12.1 percent of the Newton population. The greatest number (178) and percentage (13.9%) of elderly population (65 years and over) is found in ED 97. The elderly make up 8.8 percent of the total population.

The family income shown in Table 4 is the major determinant of housing demand. A wide variation in median^{1/} income levels is noted. In 1975 dollars,

^{1/} The median is the halfway point in any distribution. In this instance half of the family incomes are below the median and half are above.

the median ranges from \$10,475 in ED 93 to \$17,320 in ED 95. Four EDs show very low median incomes -- EDs 92, 93, 94 and 98. By comparing these ED's with sub-area housing conditions, it can be seen that most of the poorer quality housing occurs in those areas. The housing tenure presented in Table 4, coupled with income levels, shows that in EDs with very low income levels, the percentage of rental units is very high in comparison with other areas of the City.

The persons per room and plumbing facilities information presented in Table 4 provides an indicator of inadequate housing. The U.S. Department of Housing and Urban Development uses 1.25 persons per room and housing lacking some plumbing facilities as benchmarks for determining inadequately housed. These two categories of information show that an overwhelming percentage of the inadequately housed in Newton live in rental units. This fact is confirmed by comparing the family income and tenure status presented in Table 4 with the housing conditions presented in Table 1.

TABLE 4

SELECTED POPULATION AND HOUSING CHARACTERISTICS
BY ENUMERATION DISTRICT FOR 1970

Enumeration District	92	93	94	95	96	97	98	99	Total
Total									
Population	483	779	1,641	594	963	1,283	819	1,245	7,857
% Minority	0.0	0.0	43.0	0.0	0.4	0.0	24.1	0.5	12.1
% Elderly	8.2	7.3	6.2	5.6	8.3	13.9	11.0	10.0	8.8
Family Income Distribution									
Less than \$5,000	18	37	107	10	34	52	38	40	336
\$5,000-\$9,999	56	114	199	41	118	136	102	138	899
\$10,000-\$14,999	26	49	63	82	91	95	54	116	576
\$15,000-\$24,999	0	8	39	21	17	69	23	48	225
\$25,000 +	0	0	15	6	0	5	7	36	73
Total	100	208	423	159	260	357	224	378	2,109
Median	\$7,600	\$6,970	\$7,140	\$11,525	\$9,370	\$9,090	\$7,430	\$10,400	\$8,800
1970 Median									
in 1975 Dollars	\$11,420	\$10,475	\$10,730	\$17,320	\$14,080	\$13,660	\$11,190	\$15,630	\$13,200
Total Housing									
Units by Tenure	156	251	495	188	319	476	299	458	2,642
% Owned	71.0	62.3	60.1	75.8	65.2	73.0	57.1	72.6	66.6
% Rented	22.0	32.5	35.2	24.2	34.8	24.8	33.3	23.1	29.3
% Vacant	6.5	2.0	3.1	0.0	0.0	0.0	6.5	2.2	4.0
% Other	0.5	3.2	1.6	0.0	0.0	2.2	3.1	2.1	0.1
Single Family	138	233	426	257	257	399	230	405	2,256
Duplex, Multi-Family	11	14	47	58	58	70	64	53	333
Mobile Home	7	4	22	4	4	6	5	0	52

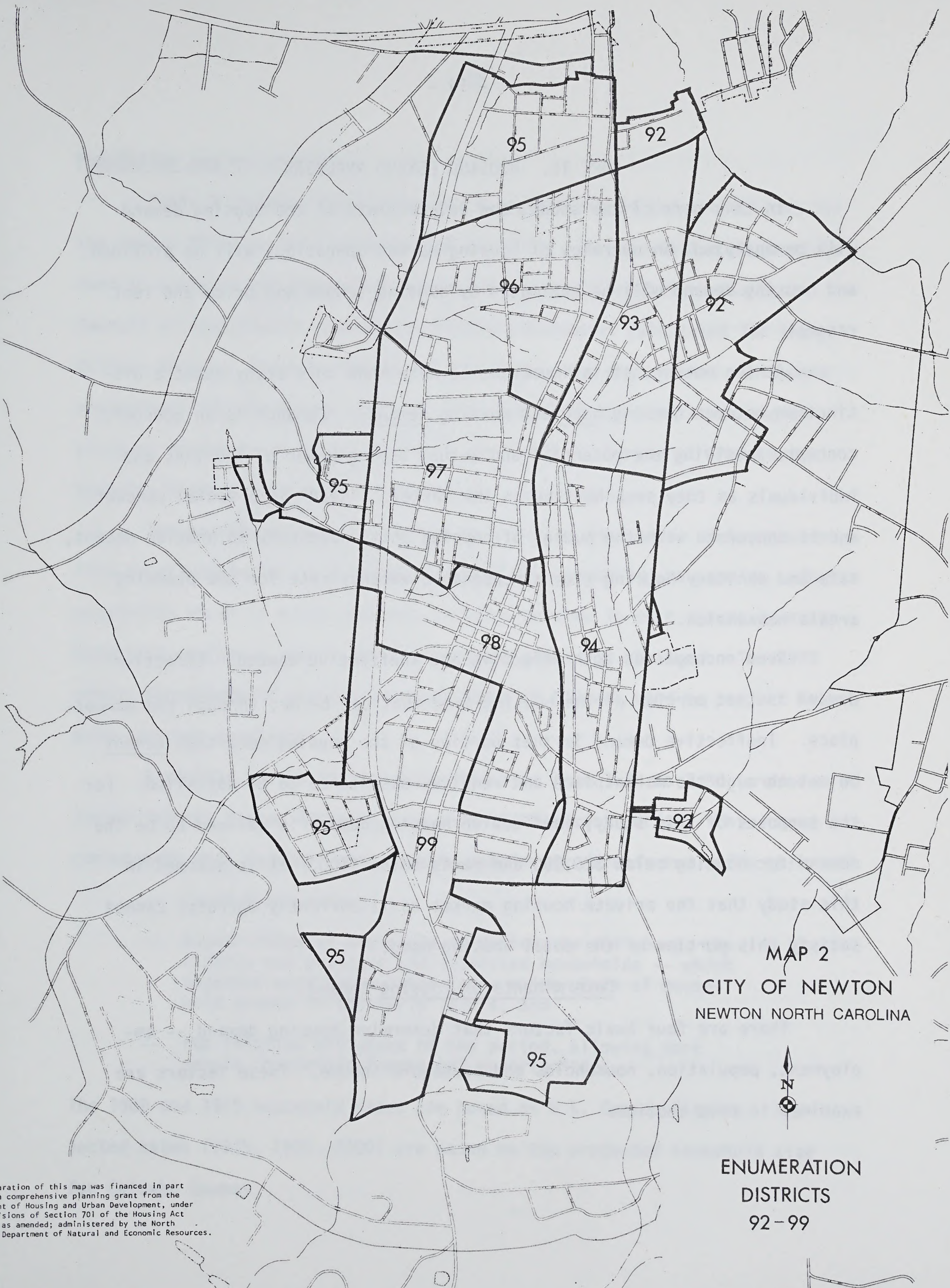
Table 4 continues on following page

TABLE 4
SELECTED POPULATION AND HOUSING CHARACTERISTICS
BY ENUMERATION DISTRICT FOR 1970

(page 2)

Enumeration District	92	93	94	95	96	97	98	99	Total
Persons per room by tenure									
Owner Occupied									
1.00 or less ppr	105	120	271	137	190	318	167	340	1,648
1.01-1.50 ppr	4	11	34	8	9	5	9	5	85
1.51 or more ppr	3	3	14	1	5	3	2	1	32
Renter Occupied									
1.00 or less ppr	27	78	113	35	85	114	96	90	638
1.01 - 1.50 ppr	7	18	29	2	17	14	6	5	98
1.51 or more ppr	2	8	10	0	4	6	4	2	36
Plumbing facilities by tenure									
Owner Occupied									
all facilities	109	125	243	141	203	317	169	330	1,687
lacking facilities	3	9	26	5	1	9	9	16	78
Renter Occupied									
all facilities	19	68	118	35	93	121	85	95	634
lacking facilities	17	36	34	2	13	13	21	2	138

Source: 1970 U. S. Census Tapes, WPCOG calculations.



MAP 2
CITY OF NEWTON
NEWTON NORTH CAROLINA



ENUMERATION
DISTRICTS
92 - 99

Preparation of this map was financed in part through a comprehensive planning grant from the Department of Housing and Urban Development, under the provisions of Section 701 of the Housing Act of 1954, as amended; administered by the North Carolina Department of Natural and Economic Resources.

PART II. HOUSING DEMAND ANALYSIS

In this part of the study, the determinants of the housing demand will be analyzed, an overview of housing market operations will be provided, and housing demand will be estimated by housing tenure and price and rent ranges.

At the outset, it is important to note that this study makes a distinction between housing need and housing demand. "Demand" is an economic concept, involving the potential and actual buying power of families and individuals as they seek housing on the market. "Need" is a social concept and is concerned with the number of housing units necessary to provide decent, safe and sanitary housing plus a reasonable vacancy rate for the planning area's households.

Need encompasses both effective and ineffective demand. Effective demand is that portion of the housing need that can be met through the marketplace. Ineffective demand is that portion of the housing need that cannot be met through the marketplace and requires assistance to be satisfied. For the purposes of this study, ineffective housing demand is defined to be the demand for housing below \$20,000 and rents below \$100. It is assumed in this study that the private housing market as it currently operates cannot satisfy this portion of the total housing need.

Determinants of Housing Demand

There are four basic factors that determine housing demand -- employment, population, households and household income. These factors are examined in this section.

Population and Households

Table 5 presents population and household trends and projections for the Newton Planning Area between 1960 and 2000. The population projections used to estimate the number of households are based on Western Piedmont Council of Governments' population forecast estimates calculated for the Unifour Region. These estimates are based upon the most recent employment projections for the Region and are consistent with the population and employment forecasts of OBERs, Series E and the N. C. Bureau of Employment Security Research manpower and employment projections.

The procedure shown in Table 5 to estimate the number of households from total population is a standard method for estimating households. The population shown in group quarters includes persons in such places as state hospitals, colleges, penal institutions and homes for the aged. The 1970 census percentage of persons in group homes (0.5%) was used to project future group quarter population.

A decline in the average household size from 3.12 to 2.80 is projected for the Newton Planning Area over the forecast period. This trend corresponds with national and state household size trends and reflects:

- lower birth rates;
- higher rates of household formations by the young, the elderly and divorced and separated households -- which together were responsible for a major share of household growth in the early 1970's; and
- the relative affluence of the period, allowing more people "household formation" opportunities.

The 1960 and 1970 household sizes are based on U.S. Census figures. Projected rates (1975, 1985, 2000) are based on the projected household size for Catawba County.

As shown in Table 5, the Newton Planning Area contained 3,167 households in 1970. By 1975 the number of households had grown to 3,684. Household formations are projected to continue over the forecast period due to population increase and a decline in the size of the average household.

Household tenure patterns or owner/renter preferences reflect two key considerations related to forecasts of housing demand:

- Housing type preferences and a household's desire for an owner or renter situation; and
- Changes in the household's ability to pay for those preferences.

Long-term trends in owner versus renter housing decisions help establish an appropriate and marketable split between owner and renter housing unit additions over the forecast period.

Many factors influence tenure patterns. The rising standard of living and the increase in the number and quality of mobile homes at attractive prices to new household formations combine to increase the percentage of home owners. On the other hand, rapidly rising housing costs and an increasing percentage of elderly and young people tend to counter the trend towards increased home owners. Inside the City of Newton a constant tenure ratio was forecast due to the existing relatively high percentage of rental households. In the fringe area, the forecast tenure pattern for Catawba County was used. Anticipated housing tenure patterns for the Newton Planning Area from 1970 to 2000 are shown in Table 6.

Table 6 shows that the tenure ratio over the forecast period is expected to be 69% owners and 31% renters in the corporate area, and is expected to vary by three or four percent in the fringe area, with the year 2000 tenure at 70% owners and 30% renters. The decrease in owner tenure in

the fringe area indicates that more persons will be forced out of the sales market by rising housing costs.

TABLE 5
POPULATION AND HOUSEHOLD TRENDS AND FORECASTS
1960 - 2000

	Total Population	Group Homes	In house- holds	Average Household Size	Households
<u>Corporate</u>					
<u>Area</u>					
1960	6,658	33	6,625	3.55	1,866
1970	7,857	36	7,821	3.10	2,525
1975	8,563	43	8,520	2.92	2,918
1985	9,578	48	9,530	2.85	3,344
2000	11,173	59	11,114	2.80	3,969
<u>Fringe</u>					
<u>Area</u>					
1960	---	--	---	--	---
1970	2,064	10	2,054	3.20	642
1975	2,249	11	2,238	2.92	766
1985	2,516	13	2,503	2.85	878
2000	2,936	15	2,921	2.80	1,043
<u>Total</u>					
<u>Planning</u>					
<u>Area</u>					
1960	---	--	---	--	---
1970	9,921	46	9,875	3.12	3,167
1975	10,812	54	10,758	2.92	3,684
1985	12,094	61	12,033	2.85	4,222
2000	14,109	74	14,035	2.80	5,012

Source: U. S. Census, 1970
WPCOG estimates, Land Use Survey and Analysis, Newton-Conover, N. C., 1971.

TABLE 6
NEWTON AND CATAWBA COUNTY HOUSEHOLDS
BY TENURE 1970 - 2000

	1970		1975		1985		2000	
	#	%	#	%	#	%	#	%
<u>Newton</u>								
<u>Corporate</u>								
Owner	1,753	69	2,025	69	2,321	69	2,754	69
Renter	772	31	893	31	1,023	31	1,215	31
Total	2,525	100	2,918	100	3,344	100	3,969	100
<u>Fringe</u>								
Owner	469	73	567	74	632	72	730	70
Renter	173	37	199	26	246	28	313	30
Total	642	100	766	100	878	100	1,043	100
<u>Catawba County</u>								
Owner	20,428	73	24,500	74	27,200	72	29,700	70
Renter	7,546	27	8,600	26	10,580	28	12,720	30
Total	27,974	100	33,100	100	37,780	100	42,420	100

Source: 1970 U.S. Census, WPCOG current reports, WPCOG estimates.

Household Incomes

Family or household income is a good indicator of the distribution of income of a population. A family's income represents the purchasing power available to provide the necessities of life such as housing. Household income broken down by tenure is the key in determining the price and rent level of housing demand in a market area.

Table 7 details owner and renter households by income distribution for the Newton Planning Area between 1970 and 2000. These household incomes were derived by applying housing market analysis techniques developed by HUD-FHA, Economic and Market Analysis Division.^{1/} Utilizing these techniques,

^{1/} FHA Techniques of Housing Market Analysis, HUD-FHA, Economic and Market Analysis Division, August, 1970. Exhibit C, p. 249.

1970 U.S. Census family income distributions were updated using projections of total personal income and per capita income.

As shown in Table 7, owner median incomes^{2/} are substantially higher than renter incomes. Renter incomes are shown to be about 75 percent of owner incomes. This situation is indicative of two factors:

- A preference for home ownership if available; and
- A greater percentage of low income families not being able to afford housing purchase.

Between 1970 and 1975, real income as expressed in 1975 dollars declined. In 1970 the median family income was \$13,200, while in 1975 the median family income had dropped to \$13,000. Between 1975 and 1985 a four percent real income increase is projected annually. From 1986 to 2000, a two and one half percent annual real income increase is projected. Based upon these increases, owner household income is projected to be \$20,460 in 1985 and \$27,620 in 2000. Renter household income is projected to increase to \$15,250 in 1985 and \$20,575 in 2000.

TABLE 7
HOUSEHOLD INCOME BY TENURE, 1970 - 2000

	All Families		Owners		Renters	
	Corporate	Fringe	Corporate	Fringe	Corporate	Fringe
1970						
Less than \$5,000	177	45	84	24	93	21
\$5,000-\$9,999	606	154	351	97	255	57
\$10,000-\$14,999	707	180	491	132	216	48
\$15,000-\$19,999	505	128	374	99	131	29
\$20,000 +	530	135	453	118	77	17
Total	2,525	642	1,753	469	772	173
Median*/	\$13,200	\$13,200	\$14,350	\$14,350	\$10,700	\$10,700
1975						
Less than \$5,000	233	61	117	35	116	26
\$5,000-\$9,999	729	192	425	125	304	67
\$10,000-\$14,999	788	207	547	153	241	54
\$15,000-\$19,999	584	153	432	119	152	34
\$20,000 +	584	153	504	135	89	18
Total	2,918	766	2,025	567	893	199
Median*/	\$13,000	\$13,000	\$13,823	\$13,823	\$10,307	\$10,307
1985						
Less than \$5,000	67	18	16	6	51	12
\$5,000-\$9,999	301	79	107	32	194	47
\$10,000-\$14,999	535	140	278	78	257	62
\$15,000-\$19,999	936	246	742	199	194	47
\$20,000 +	1,505	395	1,178	317	327	78
Total	3,344	878	2,321	632	1,023	246
Median*/	\$19,245	\$19,245	\$20,460	\$20,460	\$15,250	\$15,250
2000						
Less than \$5,000	40	10	10	2	30	8
\$5,000-\$9,999	155	41	27	8	128	33
\$10,000-\$14,999	258	68	52	15	206	53
\$15,000-\$19,999	635	166	416	110	219	56
\$20,000 +	2,881	758	2,249	595	632	163
Total	3,969	1,043	2,754	730	1,215	313
Median*/	\$25,975	\$25,975	\$27,620	\$27,620	\$20,575	\$20,575

*/ In 1975 dollars.

Source: 1970 Census of Population and Housing; Housing Implications of the Regional Plan, WPCOG, 1977; FHA Techniques of Housing Market Analysis, HUD-FHA, Economic and Market Analysis Division, Table 6; WPCOG estimates.

Overview of Housing Market Operations

In this section, the extent and type of housing that has been added to the housing stock in recent years is examined. The current housing situation concerning the prices and rents of available housing and the level of vacancies in the planning area are also described. These housing supply factors will provide information needed to forecast housing demand.

Residential Building Activity

Residential building activity in the City of Newton for the past five years is shown in Table 8. This information includes only those units which were actually constructed or remodeled.

TABLE 8

RESIDENTIAL BUILDING PERMITS CITY OF NEWTON, 1972 - 1976

Year	Single Family	Duplex	Multi- Family	Mobile Homes	Remodeling & Additions
1972	27	2	0	5	34
1973	23	4	14	11	23
1974	19	2	13	13	37
1975	16	0	0	6	31
1976	24	2	0	4	22
Total	109	10	27	39	147
Annually	22	2	5	8	29

Source: Building Inspector, City of Newton, North Carolina.

The building permits shown in Table 8 reveal trends in single family, multi-family and mobile home activities within the City of Newton. Over the five-year period, 50 percent of the residential building activity has been for single family units, 20 percent has been for duplex or multi-family units, and 21 percent has been for mobile home additions. The annual addition to the housing stock averaged 37 units during this period.

An estimate of the building activity in the fringe planning area is provided by examining the increase in housing by type of dwelling between the 1971 and 1977 housing surveys. During this time period, 251 dwelling units were constructed. Of this number, 92 percent were single family, 4 percent were duplex, and 4 percent were mobile homes. The annual addition to the housing stock during this period was 42 units. Combining corporate and fringe housing additions, 79 new units were added to the housing stock annually during this period.

The Current Housing Situation

The many factors that interact in the housing market tend to complicate individual and collective efforts to satisfy housing need. Some of these factors influencing housing in the Newton Planning Area are discussed below.

Economics of Home Buying. Over the past 20 years, Catawba County's economy (of which Newton is a part) has been largely representative of the country as a whole. During this period of time, we have seen a serious decline in real house-buying power. The Urban Land Institute cites, in statistics released in the spring of 1976, a number of startling comparisons on a national basis in the 20-year period 1955-1975:

20 Years -- 1955-1975

Increase in median sales price of new homes	191%
Increase in gross income (family of four)	221%
Increase net or disposable income	189%

10 Years -- 1965-1975

Increase in median sales price of new homes	95%
Increase in gross income (family of four)	113%
Increase in disposable income	95%

These figures indicate that, in terms of housing costs, the industry has been keeping increases down to a little more than the net increase in family income.

It would be extremely misleading, however, to leave an economic discussion at this point; other factors in the housing market paint a darker picture. For example, in the past 20 years, mortgage interest rates for low-cost homes have risen from 4.875 percent to just over 9 percent, for an increase of 85 percent. When this higher rate is applied to the 191 percent increase in mortgage dollars needed to buy the median home, one can see that the interest part of the monthly cost of owning a home has jumped 492 percent in the same 20 years. Twenty years ago, 67¢ of each dollar of monthly payment went to interest; in 1965 it was 79¢, and in 1976 it was 92¢. For example, today's homebuyer, during the first payment years, repays only 8¢ of the purchase price out of each dollar of monthly loan payment, whereas in 1955, 33¢ of the loan payment dollar was paid against the purchase price.

The costs of all facets making up home ownership have increased during the last 20 years. Property taxes, liability insurance and maintenance and repair costs are up over 250 percent. Economists calculate that utilities (heat, power, and air conditioning) are also up 191 percent, with most of this increase having occurred in the past two years. The high and ever-increasing cost of maintaining a home, of which utilities are a part, is a significant factor in a discussion of market problems. It is estimated that the total monthly housing (or shelter) cost has increased during this period by 305 percent.

TABLE 9

Housing Expenses and Income Required
To Buy a New One Family Home, 1955, 1965, 1975

	1955	1965	1975	Percent Change		
				1955-75	1955-65	1965-75
Median Sales Price, New Homes Sold	13,400 ^e	20,000	39,000	191.0%	49.3%	95.0%
Loan-to-Value Ratio	75.3	83.3	82.1	9.0	10.6	-1.4
Mortgage Amount	10,090	16,660	32,019	217.3	65.1	92.2
Length of Mortgage	23 Yrs	28 Yrs	28 Yrs	21.7	21.7	0.0
Interest Rate	4.875	5.750	9.000	84.6	17.9	56.5
Monthly Mortgage Payment, Total	77.34	128.35	333.41	331.1%	66.0%	159.8%
Principal and Interest	60.87	99.87	261.37	329.4	64.1	161.7
Interest (average for 1st year)	40.56	79.30	240.25	492.3	95.5	203.0
Real Estate Tax	13.27	23.34	58.58	341.4	75.9	151.0
Hazard Insurance	3.20	5.14	13.46	320.6	60.6	161.9
Other Monthly Housing Expense	24.32	34.74	77.82	220.0%	42.8%	124.0%
Maintenance and Repair	7.40	10.58	27.32	269.2	43.0	158.2
Heat and Utilities	16.92	24.16	50.50	198.5	42.8	109.0
Total Monthly Housing Expense	101.66	163.09	411.23	304.5	60.4	152.1
Annual Housing Expense, Total	1,219.92	1,957.08	4,934.76	304.5%	60.4%	152.1%
Mortgage Payment, Total	928.08	1,540.20	4,000.92	331.1	66.0	159.8
Principal and Interest	730.44	1,198.44	3,136.44	329.4	64.1	161.7
Interest (first year)	486.54	951.45	2,882.99	492.5	95.6	203.0
Real Estate Tax	159.24	280.08	702.96	341.4	75.9	151.0
Hazard Insurance	38.40	61.68	161.52	320.6	60.6	161.9
Other Housing Expense, Total	291.84	416.88	933.84	220.0	42.8	124.0
Maintenance and Repair	88.80	126.96	327.84	269.2	43.0	158.2
Heat and Utilities	203.04	289.92	606.00	198.5	42.8	109.0
Years of Income Needed to Qualify	2.031	2.014	1.843	-9.3%	-0.8%	-8.5%
Annual Income Needed to Qualify	6,597.74	9,930.49	21,161.15	220.7	50.5	113.1
Income Taxes Withheld for a Family of Four, Total	800.13	1,357.49	4,400.93	450.0	69.7	224.2
Federal Income Tax	687.59	1,102.10	3,195.60	364.8	60.3	190.0
Social Security	84.00	174.00	824.85	882.0	107.1	374.1
State Income Tax	28.54	81.39	380.48	1,233.1	185.2	367.5
Total Disposable Income	5,797.61	8,573.00	16,760.22	189.1	47.9	95.5
Annual Housing Expense as a Percent of Disposable Income	21.0	22.8	29.4	40.0	8.6	28.9
Percent of Families Eligible to Buy	22.9	25.8	22.4	-2.2	12.7	-13.2
Monthly Interest Payment as a Percent of:						
Payment to Principal and Interest	66.6	79.4	91.9	38.0	19.2	15.7
Monthly Housing Expense	39.9	48.6	58.4	46.4	21.8	20.2
Median Family Income	4,418	6,957	13,991 ^e	216.7%	57.5%	101.1%
Income Taxes Withheld for a Family of Four, Total	420.11	821.02	2,661.16	533.4	95.4	224.1
Federal Income Tax	317.00	590.00	1,591.20	402.0	86.1	169.7
Social Security	84.00	174.00	818.40	874.3	107.1	370.3
State Income Tax	19.11	57.02	251.56	1,216.4	198.4	341.2
Total Disposable Income	3,997.89	6,135.98	11,329.84	183.4	53.5	84.7

^e-estimate

Source: National Association of Home Builders Economics Department.

Individual Home Perception and Desire. In its 1976 Housing Status Report, the Western Piedmont Council of Governments interviewed a wide array of local housing industry participants in the Region -- lenders, builders, government officials. The consensus of this group focused on a simple economic fact of life: "People should learn to buy the 'basic house' with 1,000 square feet, three bedrooms, one bath, no basement, garage or hallways and then build up their equity until they can afford something more."

There is little debate that the single-family detached house is the ideal solution preferred by most people, certainly in an area as reasonably populated as the Newton Planning Area. However, the dominant price range today is about \$35,000 - \$45,000 for a 1,400 to 1,500 square foot house, while the 1976 median family income is \$13,520 -- well below the rule of thumb income needed for that price house.

The conclusion of the Housing Status Report called for (1) an educational program in housing realities in the high schools and (2) more houses in the \$20,000 - \$30,000 range with 95 percent loans, \$1,000 down and 30 years to repay -- building on their equity, these families would eventually be able to realize the American dream of "trading up" to their desires rather than starting out with them.

Mobile Homes. As discussed elsewhere in this report, mobile homes are an ever-expanding feature of the housing picture in the Newton Planning Area, constituting 11 percent of the new additions to the housing supply. Their contribution as a current factor affecting housing is related in many ways:

* They contribute to a decreased number of new conventional housing starts. The Mobile Home Manufacturers Association claims that, nationwide, mobile homes constituted 91 percent of all new single-family homes priced under \$20,000 (in 1973) and 48 percent of all single-family housing produced that year.

* Recent increases in the number of mobile homes in the Newton Planning Area are felt to be related to the substantial increases in the number of young households, a family-forming group with a few children of school age, low starting incomes and high mobility rates.

* Although the costs of conventional housing have risen sharply along with construction cost-rises that exceed increases in low and moderate family incomes, mobile home prices during the same period have actually declined. Even though conventional housing construction is almost twice as expensive as mobile home construction (on a per square foot basis), mobile homes constitute a low-cost housing alternative only on an initial purchase price basis because of their rapid depreciation.

* Financial attitudes toward mobile homes are changing. Lenders now consider mobile homes a more desirable investment in the profitable consumer-credit field with high interest rates, large loans, and short repayment schedules. FmHA and VA loans are now available for mobile home purchase and site development.

* Mobile homes constitute a problem largely in their transience -- one day they are not present and the next day they are located and occupied.

Although mobile homes have become the only available method for providing shelter for many area residents, their monthly upkeep is high. With debt service, a space rent, utilities and so on, the monthly housing expense for many new mobile homes (the \$6,000 - \$9,000 double-wides) approaches \$200 - \$250 per month.

Within the scope of the Housing Status Report, many mobile home owners were interviewed with respect to their reasons for choosing this housing type. Only slightly more than half (52.5%) of those interviewed chose cost in comparison to conventional housing as the reason for choosing mobile home living.

Inability to House Newly Arriving and Newly Forming Families

Although local realtors indicate a present over-supply of housing (over 400 houses are listed in the multiple listing service within a 15-mile radius of Hickory), the availability of moderate income housing continues to be a concern. A decline in the growth of the national economy has resulted locally in the Unifour counties in a decreasing rate of job creation and an increase in the cost of borrowed funds. Few developers have been active in the \$20,000 to upper \$20,000 range and a relatively slow turnover in the existing older housing stock has led to an undersupply of moderately-priced housing. The results are a "diverted demand" into apartments (if available) and mobile homes (too easily available).

The concentration of housing for low and moderate income households follows the older housing stock. It often intensifies problems of sub-standard maintenance, over-crowding, inadequate public services, poor access to jobs, and inadequate local tax revenues.

Once a concentration of this type reaches significant proportions, the natural housing market forces tend to reinforce it. The result is that the older development areas become liabilities in terms of public finance, while the newer areas develop as one-class, middle-income, communities where it is difficult to supply enough workers for low and moderately paid jobs. The economic development needed to diversify the local tax base may even be discouraged because of this difficulty in hiring needed workers. Nationally, suburban economic development officials indicate that the lack of nearby housing for lower income employees has been a factor when private industries have decided against suburban locations. In such instances, a desirable tax base for the community is lost.

The inability of low and moderate income citizens to find suitable housing in outlying areas has also added to the difficulties of some suburban cities and counties in hiring and keeping adequate numbers of teachers, policemen, firemen, and other public service workers. Even a \$10,000 annual salary may no longer enable a family to buy a house in most parts of the Planning Area.

Young couples with moderate incomes often find it difficult to remain in the localities where they were raised, and have found jobs, because of the lack of moderately priced housing. Senior citizens on reduced incomes often find it difficult to stay in the communities where they have been living before retirement for the same reason.

Thus, a central issue in planning for housing is one of providing each citizen with the opportunity to live in suitable housing near, or within easy access to, his job -- or in his "home" community, or simply where he "wants to live."

Cost of Construction. New housing costs have risen to approximately \$25,000 - \$35,000 for a simple 1,200 square foot home. Older home costs range from \$14,000 up for homes of 1,400 - 1,500 square feet. Older homes become a bargain for most families, but low to moderate income families, although they might have the initial financial ability to purchase the home, typically lack resources to improve or maintain the home.

Availability of adequate building sites coupled with land and improvement costs are essential elements in understanding why housing costs have risen. Along with wage and material costs increases, the cost of raw land and costs to develop this land in a suitable residential fashion (water, sewer, streets, etc.) have risen dramatically over the past few years.

There is sufficient acreage in most parts of the Newton Planning Area for land development, but the ability to supply a full range of utilities is a problem.

Housing Demand Forecasts

The population and household forecasts and the housing market overview provide the basis upon which housing demand can be projected. In this section, total housing additions will be forecast and the price and rent of projected housing demand will be estimated.

Housing Additions

Total housing demand over a period of time is made up of projected household growth, the allowance for a housing vacancy factor, undoubling, and replacement needs for units lost from the housing stock from fire, demolitions or other reasons. Household (occupied housing) growth corresponds closely with the number of families needing housing. In addition to occupied housing, a certain portion of the total housing supply should be vacant to provide for population mobility (generally three percent of total additions, or 1.5 percent of owner and five percent of renter household growth). Undoubling refers to overcrowding and is another component of total housing demand. Doubling-up is usually associated with older children, young couples, and non-related individuals living with parents or other families who, given the personal finances, would choose to live in separate housing (about one percent of the population).

Table 10 summarizes the projected housing demand by tenure over the forecast period using the demand components discussed above. These demand figures include all types of housing -- single-family, multi-family and mobile homes.

TABLE 10

FORECAST HOUSING DEMAND BY TENURE, 1975 - 2000

	1975-1985			1985-2000			Total, 1975-2000		
	Owner	Renter	Total	Owner	Renter	Total	Owner	Renter	Total
Corporate									
Household Growth ^{1/}	296	130	426	433	192	625	729	322	1,051
Vacancy Expansion ^{2/}	4	6	10	6	10	16	10	16	26
Undoubling ^{3/}	20	9	29	23	10	33	43	19	62
Plus Replacements ^{4/}	40	40	80	50	50	100	90	90	180
Total Additions	360	185	545	512	262	774	872	447	1,319
Annual Average	36	18	54	34	17	51	35	18	53
Fringe									
Household Growth ^{1/}	65	47	111	98	67	165	163	114	277
Vacancy Expansion ^{2/}	1	2	3	1	3	4	2	5	7
Undoubling ^{3/}	6	2	8	6	2	8	12	4	16
Plus Replacements ^{4/}	10	10	20	20	20	40	30	30	60
Total Additions	82	61	143	125	92	217	207	153	360
Annual Average	8	6	14	8	6	14	8	6	14
Planning Area									
Household Growth ^{1/}	361	177	537	531	259	790	892	436	1,328
Vacancy Expansion ^{2/}	5	8	13	7	13	20	12	21	33
Undoubling ^{3/}	26	11	37	29	12	41	55	23	78
Plus Replacements ^{4/}	50	50	100	70	70	140	120	120	240
Total Additions	442	246	687	637	354	991	1,079	600	1,679
Annual Average	44	25	69	42	24	66	43	24	67

1/ From Table 7.

2/ At 1.5 percent for owner units and 5.0 percent for renter units.

3/ At 1.0 total existing occupied housing (households).

4/ At 0.3 percent per year of the existing housing stock split 50 percent owner and 50 percent renter.

5/ Rounded.

Source: Table 7, Current WPCOG housing reports, WPCOG estimates.

It is important to note here that part of the forecast corporate demand will come from surrounding fringe areas that will, it is anticipated, be annexed into the City of Newton as these areas increase in population and are provided City services.

As shown in Table 10, the projected housing additions in the Newton Planning Area between 1975 and 1985 are estimated to be 687 units, or 69 units annually. This figure represents 44 owner and 25 renter unit additions annually. From 1985 to 2000, the annual demand is forecast at 42 owner units and 24 renter units. Over the 25 year forecast period, approximately 64 percent of the housing additions will be for owner units and 36 percent will be for rental units.

Housing Demand by Price and Rent Profile

Using the housing demand forecast obtained in Table 10 and the household tenure and income forecasts derived in Table 7, a price and rent profile of future housing demand can be obtained. In Table 11, the price and rent profile of housing production requirements between 1975 and 1985 is presented.^{1/}

Table 11 reveals that in the total planning area, 20 percent of the projected housing sales requirement between 1975 and 1985 will be for dwellings priced at less than \$20,000. Twenty-five percent of the sales demand will be for homes priced between \$20,000 and \$29,999, 25 percent of the demand will be for homes priced between \$30,000 and \$39,999, and 30 percent of the sales demand during this period will be for dwelling units priced at \$40,000 and over.

^{1/} Due to the uncertainties of inflation and construction costs, projecting housing demand prices and rent profiles beyond 1985 is not practical.

While the demand for home purchases will be fairly evenly distributed during the forecast period, the demand for rental units is skewed towards lower cost rental units. In the total planning area, 15 percent of the rental demand will be for units with monthly rent of less than \$100. The greatest rental demand will be for units renting from \$100 to \$149 per month. Twenty-three percent of the rental demand will be for units renting from \$150 to \$199 per month, and 29 percent of the rental demand will be for units renting from \$200 to \$299 per month. Only 5 percent of the rental demand will be for units renting at \$300 and over per month.

TABLE 11

PRODUCTION REQUIREMENTS FOR NEW UNITS BY TENURE,
PRICE AND RENT RANGE, 1975-1985

	Corporate	Fringe	Total Planning Area
<u>Sales Price</u>			
Less than \$20,000	72	16	88
\$20,000-\$29,999	90	21	111
\$30,000-\$39,999	90	21	111
\$40,000 +	108	24	132
Total	360	82	442
Median ^{1/}	\$32,000	\$32,000	\$32,000
<u>Monthly Rent</u>			
Less than \$100	28	9	37
\$100-\$149	68	23	91
\$150-\$199	43	14	57
\$200-\$299	37	12	49
\$300 +	9	3	12
Total	185	61	246
Median ^{1/}	\$147	\$147	\$147

^{1/} In 1975 dollars

Source: FHA Techniques of Housing Market Analysis, HUD-FHA, Economic and Market Analysis Division, August, 1970; Exhibits E. F. & G, pp. 267-277; Tables 7 and 10.

PART III HOUSING NEEDS EVALUATION

Using information presented in Parts I and II of this study, the housing needs for the Newton Planning Area will be evaluated. Effective and ineffective housing demand will be examined for both existing and projected housing need.

Existing Housing Need

Based on the current housing market operations in Catawba County, it is assumed that the majority of housing need is met through the open market. Thus, the total effective demand is completely satisfied. Interviews with local realtors reveal that there is an oversupply of housing for middle to upper income groups which indicates that effective demand is in fact satisfied.

The 1977 housing survey conducted as part of this study and the housing market overview presented in Part II indicate there is an existing unmet housing need or ineffective housing demand. From the 1977 housing survey (Table 1), 3.8 percent of the total structures inventoried were dilapidated and 14.3 percent were deteriorating. For the purposes of this evaluation, it is assumed that half of the persons living in deteriorating structures and all of the persons living in dilapidated structures are considered to be inadequately housed. Using this methodology, 10.5 percent of the structures in the corporate area and 4.8 percent of the structures in the fringe area are inadequate.

The U. S. Department of Housing and Urban Development (HUD) has developed a definition of inadequate housing that can be applied to U.S. Census data. Two of the criteria used in this definition are:

- Units lacking some or all plumbing facilities
- Units with more than 1.25 persons per room.

By applying HUD's inadequate housing definition to the 1970 Census, an estimate of the inadequately housed by tenure can be obtained. From Table 4, over 9 percent of the 1970 households in the City of Newton were inadequately housed. By tenure, 5.5 percent of the owner households and 17.7 percent of the renter households were inadequately housed. Although the numbers have changed, it is assumed that the relative ratio of owner/renter inadequately housed is still valid. As noted in Part I of this study, there is a direct correlation between inadequately housed, low family income, and rental units from the 1970 Census (Table 4) with the areas and number of substandard housing shown in the 1977 housing survey (Table 1).

Table 12 presents the 1977 ineffective housing demand or inadequately housed. As shown, 315 households in the corporate limits and 38 households in the fringe area are inadequately housed. The majority of these are renters.

TABLE 12
1977 INEFFECTIVE HOUSING DEMAND^{1/}

	Owner	Renter	Total
Corporate Area	130	185	315
Fringe Area	16	22	38
Total Planning Area	146	207	353

Source: WPCOG calculations, Tables 1, 4 and 6.

^{1/} Figures shown are estimated 1977 inadequate households. To obtain these figures, the total households between 1975 and 1985 were interpolated from Table 7, and then multiplied by the relative percentages of inadequate housing (10.5% corporate and 4.8% fringe) to obtain total inadequate households. Next the ratio of inadequate households by tenure obtained from the 1970 census was applied to the total inadequately housed.

Future Housing Need

Projected housing need is shown in Table 13. A total of 354 sales units and 198 rental units will be anticipated to be needed in addition to the total existing housing stock by the year 1985 in the Newton Planning Area. This increase corresponds to an annual increase of 44 sales units and 25 rental units.

As stated in Part II of this study, ineffective demand is demand for housing priced under \$20,000 and rents of less than \$100. Thus, from Table 13, 80 percent of the projected sales need and 85 percent of the rental need is effective housing demand and can be met on the open housing market.

TABLE 13
PROJECTED HOUSING NEED
1977 - 1985

	Corporate	Fringe	Total Planning Area
<u>Sales Price</u>			
Less than \$20,000	58	13	71
\$20,000-\$29,999	72	17	89
\$30,000-\$39,999	72	17	89
\$40,000 +	86	19	105
Total	388	66	354
Annual Increase	36	8	44
<u>Monthly Rent</u>			
Less than \$100	22	7	29
\$100-\$149	55	18	73
\$150-\$199	34	11	45
\$200-\$299	30	10	40
\$300 +	8	3	11
Total	149	49	198
Annual Increase	19	6	25

Source: Table 11, WPCOG calculations.

Although the conventional housing market cannot meet the housing needs of 20 percent of the projected household growth, it is assumed that these households will secure FmHA loan assistance, FHA financing, or be forced into mobile home purchases. For this reason, this portion of the unmet housing need is not considered ineffective.

Ineffective Housing Demand

Total ineffective housing demand includes both immediate and future housing need that cannot be met through the housing market. Table 14 summarizes the total ineffective housing demand for the Newton Planning Area.

TABLE 14
TOTAL INEFFECTIVE HOUSING DEMAND

	<u>New Growth^{1/}</u> <u>1977-1985</u>	<u>Immediate</u> <u>Needs 2/</u>	<u>Total</u>	<u>Yearly^{3/}</u>	<u>Percent</u>
Corporate Area	22	315	337	42	88.0
Fringe Area	7	38	45	6	12.0
Planning Area	29	353	382	48	100.0

1/ From Table 13 - renter demand for units \$100 per month or less.

2/ From Table 12.

3/ Using an eight year amortization schedule of total needs, as rounded.

Source: Tables 12, 13 and WPCOG.

As shown in Table 14, the total housing need in the Newton Planning Area is 382 units, of which 337 units are in the City and 45 units are in the fringe area. The yearly amortization rate is shown as an indicator of the type of effort required to satisfy total housing need by the year 1985.

PART IV. RECOMMENDED HOUSING PLAN

The first three parts of this study have been concerned with inventorying and analyzing the existing housing stock or supply, quantifying and qualifying housing demand, and evaluating total housing need. This dimensioning of Newton's housing stock and need represents an important aspect of Newton's total housing situation. The other part examined in some degree in this report, housing aesthetics and environment, is largely unquantifiable. Nevertheless, it is equally important in the provision of sound residential neighborhoods.

In order for the City of Newton to adequately address its total housing needs, a plan of action must be formulated. To be successful, this housing plan should be guided by an overall housing goal, include reasonable objectives and be made up of actions and programs designed to achieve the desired objectives. The following housing plan is suggested for the City of Newton.

Housing Plan of Action

Overall Housing Goal

To create, preserve and enhance a safe and attractive residential environment for all people who live in the community and for future generations, regardless of income, race, age, sex or ethnic background.

Objective. Develop a workable plan for meeting existing and future housing needs for low, moderate and high income groups and for each age group and family size. Encourage both private and public development of an adequate mix of types, sizes, and values of housing units.

Recommendations:

A variety of City actions and participation in federal housing programs will be necessary to achieve this objective. As identified in Part III of this study, a sizeable portion of the total housing need cannot be met through the marketplace, assistance is required. However, assisted housing is only one portion of the need. The following range of actions and programs will insure that the desired objective is obtained.

- Include in the Land Development Plan enough land in low to high density concentrations to provide an adequate mix of housing densities
- Enforce the residential land use provisions of the Land Development Plan with Zoning District requirements that provide a wide range of housing types and mixes
- Participate in FmHA Sections 523 and 524 site development programs. These two federal programs provide an opportunity for the City of Newton to promote low-moderate housing opportunities consistent with the Land Development Plan. This program provides low-interest loans for land purchase and street and utility improvements. The loan is then paid back through residential lot sales. The potential benefits to the City are enormous. Vacant land with little tax valuation can be improved, thus raising assessed valuation.^{*/} Low cost

^{*/} A program of this type was sponsored by the Catawba County Chamber of Commerce at 11th Street and Gaither Avenue. Here an 8 acre tract with assessed valuation of about \$3,000 was turned into a subdivision consisting of 32 lots, each with an assessed valuation of \$22,000 to \$25,000. (Source: Tom Dixon, FmHA Agent, Catawba County.)

home sites are made available to families with limited means and street and utility improvements are made at no cost to the City. Needed employment population is retained in the City.

Comment: The local FmHA agent states that ample money is available in this program.

- Promote FmHA's Section 502 Home Owner Program. This program is especially designed to help the low-moderate income family who cannot qualify for savings and loan mortgages due to inadequate financial status. The program provides low interest, long term mortgage money for new homes purchase, older home purchase and repair, or repair of an older home already occupied.
- Promote FmHA's Section 504 Grant/Loan Home Improvement Program. This program is designed exclusively for homeowners, and is intended to provide funds for home winterization and remodeling. For those with limited financial means, a low interest loan (1%) is amortized over a period of time necessary to pay back the loan without overburdening the borrower. In cases of persons with little or no financial means or the elderly, grants of less than \$5,000 are made to cover home improvement costs.

Comment: This program is ideally suited to help meet the needs of many Newton households. The Catawba County FmHA states that there is plenty of money in this program to assist Newton residents.

- Promote HUD's Section 8 Existing Housing Rent Subsidy Program.

HUD offers three Section 8 program options: (1) new construction and rent subsidy (most public housing in larger cities in the past has been this type of housing); (2) housing rehabilitation and rent subsidy; and (3) existing housing rent subsidy. This latter program option, which is recommended for Newton to meet the needs of low income renters, does not require establishment of a local public housing authority. No local money is involved. The program can be administered on a County or regional level. Regional administration avoids problems previously encountered of a City having to take a large number of such housing to support the financial cooperation of a local public housing authority. With this housing program, no new housing is created. What this program does do is supplement tenant rent to the point at which adequate rental housing can be maintained by the landlord. Typically, rents paid by low-low income households are so low that needed improvements are infeasible to make and no money is available to repair tenant damage. This program provides money for tenant damage so that a safe, healthful dwelling can be maintained.

Comment: This program could be a key element in eliminating substandard rental housing in the Newton Planning Area.

- Promote HUD Section 202 Elderly Housing. This program is geared toward rent subsidy of new construction apartments and can be either privately or publicly developed.

Comment: Such a project is presently in the planning stage in the northern portion of the Newton Planning Area.

Objective. Encourage local neighborhood initiative, leadership, and involvement in programs for conservation, rehabilitation and redevelopment appropriate to neighborhood needs.

Recommendations.

Solicit citizen participation in the development of grant applications for federal and state funds such as BOR and CD grants. Hold public hearings on major planning proposals for community development before final plan development.

Objective. Improve existing substandard housing and eliminate dilapidated housing units. Direct redevelopment programs in older areas toward creating new housing for persons living in the area, rather than clearing, which merely displaces them.

Recommendations.

Develop an enforceable housing code program. At present, Newton has a minimum housing code that is not being enforced due to manpower limitations and limited housing options. To be effective and enforceable, more city personnel is needed to administer the housing code. The inspection and enforcement program should utilize existing federal programs outlined above to correct existing problems. Flexibility needs to be worked into the program to allow identification of the housing problems (elderly with limited means, rental property, etc.) and ways of remedying these problems before non-compliance or condemnation procedures are initiated. The housing code

enforcement officer must be familiar with available housing programs and have options open to effectively administer the housing code.

Objective. Encourage counseling and educational services to improve the social and economic status of households.

Recommendations.

- Work with County school officials to get high school housing economics courses initiated and courses designed to teach the basics required for family financial management.
- Work with other local officials to get a County or regional housing information center established which would disseminate needed information of available legal and financial housing assistance.

Objective. Retain, to the extent possible, existing neighborhood concentrations. Plan for neighborhoods as units to provide for the optimum relationship between schools, parks, dwelling units, open space, traffic patterns, and off-street parking to improve environmental quality and to achieve a greater sense of community.

Recommendations.

The City of Newton presently has an adopted Land Development Plan to guide future land use decisions. This plan should be updated to reflect recent changes in land use patterns and community facilities.

Objective. Maintain or raise residential property values by preventing the introduction of incompatible uses by requiring good standards in new residential development, and by preserving, protecting and using natural beauty wherever possible.

Recommendations.

- Continue enforcement of the City's Zoning Ordinance and Subdivision Regulations in accordance with the Land Development Plan and other regulatory codes.

Objective. All residential areas should have sufficient space, privacy, and convenience to meet accepted standards of community health, safety, and welfare.

Recommendation.

Continue to enforce existing City health, building and zoning codes.

Plan Summary

The housing plan outlined above is aggressive and will require positive effort to successfully bring about. However, existing means and sources of revenue (federal housing programs) are available to carry out this recommended Plan.

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